GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries and Commerce Department - Permission to Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC) for allotment of land to an extent of Acs.332.00 cents in Vatluru (V) of Pedepadu (M) and Acs.17.5 Cents in Bhogapuram (V) of Pedavegi (M) in West Godavari District to M/s. VEM Technologies Private Limited for development of a "Weapons Integration facility" in the field of Aerospace and Defence – Accorded – Orders – Issued.

INDUSTRIES AND COMMERCE (INFRA) DEPARTMENT

G.O.Ms.No. 122 Dated:27-08-2016
Read the following:

1. G.O.Ms.No.571, Rev. (Assn.I) Dept., dt.14.09.2012
2. From the APIIC, AP, Vijayawada, Lr.No. 51853/APIIC/Projects (OSD)/VEM/WG/14-15, dt. 19.7.2016.

***

ORDER:

In the reference 2nd read above, The VC&MD, Andhra Pradesh Industrial Infrastructure Corporation Limited has stated that the Government vide G.O. Ms. No.291, Revenue (Assignment-II) Department, dt.05.07.2016 has issued orders alienating land to an extent of 350 acres under Survey No. 495/2 in Vatluru (V) of Pedepadu (M) and Bhogapuram (V) of Pedavegi (M) in West Godavari district near Eluru to Andhra Pradesh Industrial Infrastructure Corporation Limited for the purpose of industrial park development. The land was alienated to Andhra Pradesh Industrial Infrastructure Corporation Limited at the rate of Rs. 12.00 Lakhs/Acre to an extent of 332.00 Acres in Vatluru (V) of Pedepadu (M) and at Rs. 10.00 Lakhs/Acre for land to an extent of 17.50 Acres in Bhogapuram (V) of Pedavegi (M).

2. Further, VC&MD, Andhra Pradesh Industrial Infrastructure Corporation Limited has also stated that consequently, vide letter dt.12.07.2016, the VEM Technologies has requested for the allocation of the 350 Acres land under Survey No. 495/2 in Vatluru to VEM Aerocity for development of a "Weapons Integration facility" in the field of Aerospace and Defence. Further, they informed that they have been selected by HAL for the development of the Centre & Rear fuselage sections of the prestigious LCA-Tejas project and HAL is compelling them to commence the work on the fuselage on priority basis as this project is of national importance.

3. The VC&MD, Andhra Pradesh Industrial Infrastructure Corporation Limited has stated that VEM Technologies Pvt. Ltd intend to build a world class Integrated Aerocity in West Godavari district. The total investment in the project will be Rs.2,135 cr in three phases and it will have the potential to create employment for 2,150 skilled labours. The investment and employment in the 1st phase is Rs. 635 cr and 650 people respectively. The main focus of the Aerocity will be Weapons systems, Systems for UAVs, and Helicopters & Aircrafts & Composites. Additionally, VEM is an "Indigenous Partner" for Lockhead Martin, USA for their LM-Gyrocam Products in India. The partnership is in engagement to build state of the art border management solutions for the country.

4. Further, the VC&MD, Andhra Pradesh Industrial Infrastructure Corporation Limited has stated that M/s. VEM Technologies (P) Limited has originally been shown land in Dubacherla (V), Nallajerla (M), West Godavari District. Accordingly, they have submitted a DPR and the proposal was taken up by SIPB for granting of special package of incentives and Government issued orders vide G.O.Ms.No.9, Industries and Commerce (Policy & Investment) Department, dt. 11.01.2016 granting special package of incentives. However, the cost of the land has gone up from Rs.7 Lakhs/Acre to Rs.20 Lakhs/Acre and the promoters have expressed their inability to purchase the land at Rs.20 Lakhs/Acre as the project is then not viable.

5. The VC&MD, Andhra Pradesh Industrial Infrastructure Corporation Limited has stated that the company is now asking for immediate allotment of land to an extent of 350 Acres under survey No. 495/2 in Vatluru (V) of Pedepadu (M), West Godavari district near Eluru and is willing to pay land cost at the rate of Rs. 10.00 lakhs/Acre (inclusive of all other expenses).

(Contd...)

6. Further, the VC&MD, Andhra Pradesh Industrial Infrastructure Corporation Limited has stated that a meeting was held on 16 July 2016 by the Andhra Pradesh Industrial Infrastructure Corporation Limited with Mr. V.V. Satyanarayan, Director Finance of VEM Technologies Pvt. Ltd., where negotiations were held with regard to land cost. The company informed that they can pay maximum Rs. 10.00 lakhs per Acre failing which the viability of the project will suffer and requested the Government to consider the same.

7. The VC&MD, Andhra Pradesh Industrial Infrastructure Corporation Limited has stated that the District Collector has indicated the Market price of the land in Vatluru (V) is Rs. 40 lakhs per acre and in Bhogapuram (V) Rs. 30 Lakhs per acre. As per the price fixation policy of APIIC, the price of the above lands would be fixed between Rs.30 lakhs to Rs.40 lakhs as there is a gap between the basic value and Market value.

8. The VC&MD, Andhra Pradesh Industrial Infrastructure Corporation Limited has requested the Government to issue necessary orders on the following issues:

a) APIIC has not initiated any action in taking the possession of 350 acres land alienated to APIIC vide G.O.Ms.No.291, Revenue (Assignment-II) Department, dt.05.07.2016. Therefore, allotment of land to VEM Technologies Pvt. Ltd. to an extent of 350 Acres under survey No. 495/2 in Vatluru (V) of Pedepadu (M) and Bhogapuram (V) of Pedavegi (M) in West Godavari district near Eluru, directly may be made by Revenue Department.

b) APIIC to allot land at the cost as per its price fixation policy.

c) APIIC to allot land at the cost decided by the Government.

9. Government after careful examination of the matter, hereby decided to allot the land to an extent of Acs.332.00 Cents in Vatluru (V) of Pedepadu (M) and Acs.17.5 Cents in Bhogapuram (V) of Pedavegi (M) in West Godavari district to M/s. VEM Technologies Private Limited for development of a “Weapons Integration facility” in the field of Aerospace and Defence by Andhra Pradesh Industrial Infrastructure Corporation Limited at the same rates on which the lands were transferred to APIIC by Revenue Department.

10. The VC&MD, Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC), Vijayawada shall take further necessary action in the matter.

(BY ORDERS AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SOLOMON AROKIA RAJ
SECRETARY TO GOVERNMENT & CIP

To
The VC&MD, Andhra Pradesh Industrial Infrastructure Corporation Limited, Vijayawada.
Copy to:
The General Administration (Cabinet) Department. (w.r.t to U.O.No.705/2016, dt.28/08/2016)
The Director of Industries, A.P. Hyderabad.
The P.S. to Principal Secretary to CM (GSP)
The P.S. to Secretary to Govt. & CIP,
Sc/Sf

// FORWARDED :: BY ORDER //

SECTION OFFICER